

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Before the Commissioner of the Office of Financial and Insurance Services**

**In the matter of:**

**Cynthia L. Hunter dba GDNC Loans & Signings  
17172 West Hampton Road  
Southfield, Michigan 48075**

**Enforcement Case No. 07-5233**

**Applicant**

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Issued and entered  
on March 3, 2008  
by Frances K. Wallace,  
Chief Deputy Commissioner

**FINAL ORDER DENYING MORTGAGE BROKER LICENSE APPLICATION**

**I.**

**FINDING OF FACT**

1. On January 16, 2008, the Chief Deputy Commissioner issued to Cynthia L. Hunter dba GDNC Loans & Signings a Notice of Denial of Mortgage Broker License Application, and Notice of Opportunity for Hearing (Notice) pursuant to Section 12 of the Mortgage Brokers, Lenders, and Servicers Licensing Act, MCL 445.1662. Said Order, served on Cynthia L. Hunter dba GDNC Loans & Signings via certified mail, advised Cynthia L. Hunter dba GDNC Loans & Signings that failure to request a hearing within 20 days would result in the Order becoming final.

2. Cynthia L. Hunter dba GDNC Loans & Signings failed to request a hearing within 20 days as required by statute.

**II.**

**ORDER**

NOW THEREFORE, a Final Order Denying Cynthia L. Hunter dba GDNC Loans & Signings a Mortgage Broker License pursuant to MCL 445.1662 is hereby entered.

Dated: 3-11-08

  
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Frances K. Wallace  
Chief Deputy Commissioner

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**NOTICE OF DENIAL OF MORTGAGE BROKER LICENSE APPLICATION  
AND  
NOTICE OF OPPORTUNITY FOR HEARING**

On or about May 8, 2007, Cynthia L. Hunter dba GDNC Loans & Signings (hereinafter "Applicant"), filed with the Office of Financial and Insurance Services (staff) an application for licensure as a mortgage broker pursuant to Section 3(1) of the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 P.A. 173, as amended, MCL 445.1651 *et seq.* (Act).

Section 3(1) of the Act, MCL 445.1653(1), provides that:

An application for, or renewal of, a license shall be made in writing to the commissioner on a form prescribed by the commissioner. If the commissioner determines after investigation that the experience, character, business reputation, and general fitness of the applicant and its officers, directors, shareholders, partners, and affiliates command the confidence of the public and warrant the belief that the applicant and its officers, directors, shareholders, partners, and affiliates will comply with the law and that grounds for revoking, suspending, or denying a license under this act do not exist, the commissioner shall issue a license to, or renew the license of, the applicant to act as a mortgage broker, mortgage lender, or mortgage servicer.

After conducting an investigation, the Act vests in the Commissioner broad discretion to determine whether Applicant's experience, character, business reputation, and general fitness command the confidence of the public and warrant the belief that Applicant, and its officers, directors, and shareholders, will comply with the law. Prior to the issuance of a license, the Act requires that the Commissioner make a positive finding concerning Applicant's experience, character, business reputation, and general fitness. Only after this positive finding must the Commissioner issue a license. Pursuant to Section 3(1) of the Act, staff conducted an investigation of Applicant's experience, character, business reputation, and general fitness, and has reported the results of this investigation to the Commissioner. Based upon information developed in the course of staff's investigation, it is believed that the experience, character, business reputation, and general fitness of Applicant do not command the confidence of the public or warrant the belief that Applicant, and its officers, directors, and shareholders, will comply with the law. Specifically, correspondence and documents reviewed during staff's investigation revealed the following:

**I.**

**APPLICANT CONDUCTED UNLICENSED MORTGAGE ACTIVITY IN VIOLATION OF THE ACT**

Based on the information staff obtained during its investigation of Applicant, staff has determined that Applicant has engaged in residential mortgage related activity regulated by the Act without the requisite license or registration. As indicated on Applicant's resume attached to the personal disclosure statement of the application, Applicant stated that she worked for Mortgage 2000 Funding Group ("Mortgage 2000") as a loan officer from February 2000 to May 2007.

In response to staff's inquiry verifying Applicant's employment as reported on the application, Applicant provided staff with information indicating that she had brokered

mortgage loans for three different companies during the time she was reported to be employed with Mortgage 2000. The information provided by Applicant reported that Applicant had brokered at least two mortgage loans for Mortgage 2000, and received compensation from Mortgage 2000 via payroll check for services she provided. Applicant also reported that she brokered mortgage loans for Freedom Financial/Bretlin Home Mortgage. However, in response to staff's request for verification of her experience in the mortgage industry Applicant failed to provide any form of verification of the reported employment with Mortgage 2000, or Freedom Financial/Bretlin Home Mortgage as a loan officer.

In addition, Mortgage 2000 was not a licensed or registered mortgage broker, lender, or servicer at the time Applicant was employed as a loan officer by Mortgage 2000. Mortgage 2000 is as an assumed name for First Realty Mortgage Corp., which is also where the Applicant holds her affiliated real estate license. First Realty Mortgage Corp. has not held a mortgage broker, lender or servicer license or registration in the State of Michigan. In addition, according to the Bureau of Commercial Services-Corporation Division, First Realty Mortgage Corp. has held the status of automatic dissolution since July 15, 2006. Based on the foregoing, Applicant has reported her mortgage experience with an unlicensed company. According to the Act, a loan originator must be an employee of a licensed mortgage company when originating loans. The Act also indicates that a loan originator must not receive any kind of compensation for loan origination from anyone other than its employer. Therefore, Applicant is in violation Section 2 of the Act.

## II.

### **APPLICANT'S SALES FINANCE ADMINISTRATIVE ACTION**

On or about May 8, 2007, Applicant submitted a personal disclosure statement signed and dated April 28, 2007, containing a "YES" response to the question, "Have you ever been subject to any adverse administrative action with respect to any professional license you hold or

have held, including those involving any business or enterprise with which you have been associated as a partner, officer, director, shareholder (owning 5% or more of the outstanding voting stock) or affiliate? If yes, please detail on a separate page.” Applicant provided staff with an explanation for the adverse administrative action stating that in 2000 she was examined by staff, and was cited for conducting three sales finance deals, under the name GDNC Loans, without the requisite license as articulated by the Motor Vehicle Sales Finance Act, MCL 492.101 *et seq.* Per staff’s instructions, Applicant returned the interest she received on these deals.

### III.

#### **APPLICANT LACKS EXPERIENCE OR HAS FAILED TO PROVIDE PROOF OF EXPERIENCE AS REQUESTED BY STAFF**

The resume attached to the personal disclosure statement provided by Applicant reports Mortgage 2000 as the only employer where Applicant obtained mortgage experience, however subsequent correspondence, as previously mentioned, portray that she has brokered loans for at least two additional companies. Similarly, Applicant reports other financial service experience such as loan origination experience, title closings, and licensed real estate sales, but failed to provide staff with any type of verification of her mortgage loan origination experience. Applicant also reported brokering additional loans for Freedom Financial/Bretlin Home Mortgage, but, the Applicant failed to report Freedom Financial/Bretlin Home Mortgage as an employer in the personal disclosure statement.

### IV.

#### **APPLICANT HAS NOT DEMONSTRATED COMPLIANCE WITH THE ACT AS REQUIRED FOR LICENSURE.**

Applicant has failed to show that she is capable of operating under the laws that regulate the mortgage industry. Staff's experience with Applicant demonstrates Applicant's deficiency in complying with the provisions of the Act, and in staff's opinion, Applicant has not demonstrated that she is capable of adhering to the standards and requirements of the requested license.

The commissioner has considered this application very thoroughly. Based on the foregoing, and in the considered judgment of the Commissioner, it is not possible to make an affirmative determination of Applicant's experience, character, business reputation, and general fitness to be licensed under the Act. To the contrary, the results of staff's investigation, if true, would reflect adversely on Applicant's fitness to be licensed. Consequently, being unable to affirmatively determine that Applicant, if licensed, would comply with the law and command the confidence of the public, and that circumstances exist which would warrant denial of the application, this application must be denied.

NOW THEREFORE, having given careful and deliberate consideration to this matter, the Applicant's application for licensure as a mortgage broker in the State of Michigan is DENIED. Said application having been denied, the Applicant is without authority to transact any business in the State of Michigan requiring licensure under the Act.

V.

**OPPORTUNITY FOR HEARING**

Section 12 of the Act, MCL445.1662, provides that:

- (1) Notice to a licensee or registrant of intention to enter an order of license or registration, suspension or revocation, or notice to an applicant of a refusal to issue a license shall be given in writing, served personally or sent by certified mail to the licensee, registrant, or applicant.
- (2) Within 20 days after the notice of the intention to enter an order of license or registration, suspension or revocation, or a refusal to

issue a license or registration under subsection (1), the licensee, registrant, or applicant may request a hearing to contest the order of refusal. If a hearing regarding suspension or revocation is not requested, the commissioner shall enter a final order regarding the suspension or revocation. A hearing shall be conducted in accordance with the provisions of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

## VI.

### APPLICABLE PENALTIES

Section 29(2) and (3) of the Mortgage Brokers, Lenders, and Servicers Licensing Act, MCL 445.1679(2) and (3), provides:

(2) If the commissioner finds that a licensee or registrant has violated this act or the rules promulgated under this act, the commissioner may:

(a) Assess a civil fine against a licensee, registrant, or a person who controls the licensee or registrant of not more than \$1,000.00 for each violation, except that the licensee, registrant, or a person shall not be fined more than \$10,000.00 for a transaction resulting in more than 1 violation, plus the costs of investigation.

(b) Suspend or revoke a license or registration or refuse to issue a license or renew a license or registration.

(3) The civil fine may be sued for and recovered by and in the name of the commissioner and may be collected and enforced by summary proceeding by the Attorney General. Each individual injured by a violation of this act or a rule shall constitute a separate violation. In determining the amount of a fine, whether to suspend or revoke a license or registration, or whether to refuse to issue or renew a license, the commissioner shall consider the extent of the injury suffered because of the violation, the corrective action taken by the licensee or registrant to ensure that the violation will not be repeated, and the records of the licensee or registrant in complying with this act. Any proceedings under this subsection shall be subject to the procedures of the Administrative Procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections



24.201 to 24. 328 of the Michigan Compiled Laws.

The Commissioner specifically retains jurisdiction of the matter contained herein to issue such further order or orders as he may deem just, necessary or appropriate so as to assure compliance with the law and protect the public interest.

OFFICE OF FINANCIAL AND  
INSURANCE SERVICES

16 January 2008  
Date

Frances K. Wallace  
Frances K. Wallace  
Chief Deputy Director